

MEETING MINUTES

SUBJECT: Mentholated Foil Plans

DATE: March 17, 1988

<u>ATTENDEES:</u>	L. E. Allen-Hawkins	C. J. McKenney
	J. E. Bickett	E. C. Nicola
	D. L. Bylsma	G. I. Patron
	J. S. Crichton	P. Pitts
	J. L. Gregory	G. O. Sledge
	H. A. Marxen	

LOCATION: Operations Center, Conference Room A1-W5

CORRECTIONS AND OMISSIONS:

Any attendees disagreeing with, taking exception to, or wishing to add statements that are omitted in these minutes should advise the writer.

ITEMS OF DISCUSSION:

This meeting was called by Jim Crichton, Director of Manufacturing Services, to review preliminary production plans for additional mentholated foil cigarettes, foil coating production capacities, and air permit status at Louisville and Richmond. Storage conditions and required space for mentholated bobbins and finished cigarette cases were also discussed.

PRELIMINARY PRODUCTION PLANS:

Jim Crichton distributed the attached preliminary list of small volume menthol brands proposed for conversion to mentholated foil. Their estimated total volume of 10.85 billion cigarettes will be in addition to the volumes of Marlboro and Alpine menthol presently forecast. The conversion schedule will depend primarily on the speed of R&D developing foil brand specifications and successfully completing POL testing.

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OPERATIONS SERVICES

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FOIL COATING CAPACITIES:

Jim Crichton stated that the two menthol applicators at the LMCP facility in Louisville running three shifts, five days per week, can coat enough foil rolls to package 16 billion cigarettes annually. Everyone agreed that preliminary production forecasts could be met with these two applicators through 1989. The year 1990 would be the earliest requirement for additional machinery and facilities.

AIR PERMIT STATUS:

Louisville

Paul Pitts, of Employee and Environmental Protection, stated that LMCP may operate menthol applicators without applying for a VOC air permit as long as five tons per year of ethanol emissions is not exceeded. He plans to withdraw the filed permit application and prove to the Jefferson County officials that LMCP can operate two applicators three shifts/day and five days/week and be well below the five ton annual limit. He does not plan to claim any of the ethanol emissions during packaging of the forecasted Maple Street cigarette production. Attachments V, VII, and IX were distributed by Lee Gregory to show estimated emission levels both at LMCP and Maple Street for the 1988 and 1989 production forecasts, as well as the worst case for maximum roll coating production five days/week. These emissions are based on R&D test results reported in November 1987.

Richmond

Lee Gregory distributed Attachments VI and VIII to show the total estimated ethanol emissions of both Richmond factories during cigarette packaging forecasted for 1988 and 1989. These are below the seven tons per year Richmond limits per factory. These estimates were for the benefit of Paul Pitts.

FINISHED GOODS CASE STORAGE:

Jim Crichton stated that cigarettes produced with mentholated foil will not be placed in conditioned warehouse space during the 15 day equilibration period. Greg Patron, of R&D, agreed this would not be detrimental to the quality of the cigarettes as long as the warehouse temperature stays above 40°F. Below 40°F, equilibration stops.

MENTHOLATED FOIL ROLL STORAGE:

Greg Patron stated that mentholated foil rolls cannot be stored above 95°F. There is no limit to the minimum storage temperature as long as the rolls are tempered slowly back to ambient factory conditions.

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WAREHOUSE SPACE REQUIREMENTS:

Eli Nicola and Dan Bylsma will supply 1988 and 1989 production forecasts to Harry Marxen. He will then assign an Industrial Engineer to determine warehouse space requirements for storing mentholated foil rolls and finished cigarettes cases.


J. L. Gregory

/rbc

Attachments

copy: Attendees

R. L. Davidson
R. E. Davis, M/C
N. O. Fowler
A. French
T. N. Gatz
P. N. Gauvin
K. S. Houghton
R. J. Knight
R. L. Leezer
D. A. Lynch
D. E. Merrill
W. R. Moore
S. H. Pouliot
G. B. Reid
R. E. Taylor
W. P. Taylor
A. J. Thorpe

Project #HF01-0002/Sherry Dodge - Information/Documents

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